

Legacy Management

Legacy Management

Energy Supply Office of Legacy Management

Appropriation Summary by Program

(dollars in thousands)

	FY 2003 Comparable Appropriation	FY 2004 Original Appropriation	FY 2004 Adjustments ^a	FY 2004 Comparable Appropriation	FY 2005 Request
Energy Supply					
Legacy Management.....	21,093	29,705	-158	29,547	31,130
Subtotal, Energy Supply.....	21,093	29,705	-158	29,547	31,130
Less Use of Prior Year Balances.....	0	0	0	0	0
Total, Energy Supply.....	21,093	29,705	-158	29,547	31,130
Other Defense Activities					
Legacy Management.....	43,333	38,163	-202	37,961	34,895
Subtotal, Other Defense Activities.....	43,333	38,163	-202	37,961	34,895
Less Use of Prior Year Balances.....	-2,369	-1,500	0	-1,500	0
Total, Other Defense Activities.....	40,964	36,663	-202	36,461	34,895
Total, Energy Supply and Other Defense Activities.....	62,057	66,368	-360	66,008	66,025

Preface

During FY 2005, the Department continues its efforts to reduce risk to human health and the environment at its contaminated sites and mitigate the impacts to workers and communities caused by changing Departmental missions. By conducting the long-term surveillance and maintenance of

^a Reduction for 0.59 percent recission

remediated sites and ensuring pension and benefit continuity, the Office of Legacy Management allows Environmental Management to concentrate on further risk reduction and site closure.

Within the Energy and Water, Energy Supply appropriation, the Office of Legacy Management (LM) has one program: Legacy Management.

This Overview will describe Strategic Content, Mission, Benefits, Strategic Goals, and Funding by General Goals. These items together put the appropriation in perspective. The Annual Performance Results and Targets, Means and Strategies, and Validation and Verification sections address how the goals will be achieved and how performance will be measured. Finally, this Overview will address Significant Program Shifts.

Strategic Context

Following publication of the Administration's National Energy Policy, the Department developed a Strategic Plan that defines its mission, four strategic goals for accomplishing that mission, and seven general goals to support the strategic goals. Each appropriation has developed quantifiable goals to support the general goals. Thus, the "goal cascade" is the following:

Department Mission – Strategic Goal (25 yrs) – General Goal (10-15 yrs) – Program Goal (GPRA Unit) (10-15 yrs)

To provide a concrete link between budget, performance, and reporting, the Department developed a "GPRA Unit" concept. Within DOE, a GPRA Unit defines a major activity or group of activities that support the core mission and aligns resources with specific goals. Each GPRA Unit has completed or will complete a Program Assessment Rating Tool (PART). A unique program goal was developed for each GPRA Unit. A numbering scheme has been established for tracking performance and reporting.

The goal cascade accomplishes two things. First, it ties major activities for each program to successive goals and, ultimately, to DOE's mission. This helps ensure the Department focuses its resources on fulfilling its mission. Second, the cascade allows DOE to track progress against quantifiable goals and to tie resources to each goal at any level in the cascade. Thus, the cascade facilitates the integration of budget and performance information in support of the GRPA and the President's Management Agenda (PMA).

Mission

The Office of Legacy Management was created in FY 2004 from existing programs within the Department of Energy. The mission of the portion of Office of Legacy Management funded by the Energy Supply appropriation is to: (1) conduct long-term surveillance and maintenance (also referred to as long-term stewardship) at DOE facilities where remediation measures have been substantially completed; (2) oversee the management of pensions and benefits for former contractor

employees; and, (3) perform storage, retrieval, and management of all records necessary for legacy management activities.

Benefits

The Office of Legacy Management programs provide benefits to the Department during mission changes or cleanup of sites in preparation for closure, during closure itself, and following mission change or closure. For sites where cleanup is completed, Legacy Management programs ensure that the remediation measures implemented during closure are protecting human health and the environment and that labor commitments for the contractor work force are being satisfied.

Strategic Goals

The Department's Strategic Plan identifies four strategic goals (one each for defense, energy, science, and environmental aspects of the mission plus seven general goals that tie to the strategic goals. The Legacy Management appropriation (Energy and Water/Energy Supply) support the following goal:

Environment Strategic Goal: To protect the environment by providing a responsible resolution to the environmental legacy of the Cold War and by providing for the permanent disposal of high-level radioactive waste.

General Goal 6, Environmental Management: Accelerate cleanup of nuclear weapons manufacturing and testing sites, completing cleanup of 108 contaminated sites by 2025.

The programs funded within the Energy and Water/Other Defense Activities appropriation have one Program Goal that contributes to the General Goal in the "goal cascade". This goal is;

Program Goal 06.26.01.00: Legacy Management : Ensure that the Department's long-term agreements and legal commitments to environmental stewardship and to former contractor employees are satisfied.

Contribution to General Goal 6

Legacy Management programs contribute to this goal by managing the long-term surveillance and maintenance at sites where remediation has been essentially completed, allowing the Environmental Management program to concentrate its efforts on continuing to accelerate cleanup and site closure resulting in reduced risks to human health and the environment and reduced landlord costs.

The Legacy Management program is also now the manager of some existing pension and benefit programs to meet the Department's contractual commitments.

Funding by General Goal

	(dollars in thousands)				
	FY 2003	FY 2004	FY 2005	\$ Change	% Change
General Goal 6, Environmental Management (Legacy Management).. Program Goal 06.26.01.00, Legacy Management.....	21,093	29,547	31,130	1,583	5.4%
Subtotal, General Goal 6.....	21,093	29,547	31,130	1,583	5.4%
Less Use of Prior Year Balances...	0	0	0		
Total, General Goal 6 (Energy Supply/Legacy Management).....	21,093	29,547	31,130	1,583	5.4%

Annual Performance Results and Targets

FY 2000 Results	FY 2001 Results	FY 2002 Results	FY 2003 Results	FY 2004 Target	FY 2005 Proposed Target
Legacy Management Program/Legacy Management Subprogram					
No comparable measures in FY 2000	No comparable measures in FY 2001	No comparable measures in FY 2002	Ensure continued effectiveness of cleanup remedies through surveillance and maintenance activities at 28 sites in accordance with legal agreements	Ensure continued effectiveness of cleanup remedies through surveillance and maintenance activities at 33 sites in accordance with legal agreements	Ensure continued effectiveness of cleanup remedies through surveillance and maintenance activities at 60 sites in accordance with legal agreements

Means and Strategies

The LM Program will use various means and strategies to achieve its program goal. However, various external factors may impact the ability to achieve the goal. The program also performs collaborative activities to help meet its goal.

Success of the surveillance and maintenance program will depend upon the effectiveness of the remediation system or structure installed by the Environmental Management program. A failure of a functioning remediation system or structure to contain remediation would cause the return of the site to Environmental Management for future remediation.

LM's intention is to have no reportable risks at surveillance and maintenance sites and transfer unneeded land resources to other ownership. The long-term surveillance and maintenance goal will be achieved by performing surveillance and maintenance activities as specified in legal agreements.

Validation and Verification

To validate and verify program performance, Legacy Management (LM) will conduct various internal and external reviews and audits. LM's programmatic activities are subject to continuing review by the Congress, the General Accounting Office, the Department's Inspector General, the U.S. Environmental Protection Agency, state environmental and health agencies, and the Defense Nuclear Facilities Safety Board. Additionally, the Department is operating a performance tracking system to measure performance. The Office of Management, Budget, and Evaluation has developed action plans for the primary functions. Quarterly updates are developed using the Joule system. For items not tracked by the Joule system, the Office of Legacy Management will obtain quarterly updates to judge progress of the programs.

The Legacy Management program has not performed a Program Assessment Rating Tool (PART) evaluation to date but such a review and the measures resulting from it would also provide verification.

Significant Program Shifts

None

Energy Supply Office of Legacy Management

Funding by Site by Program

(dollars in thousands)

	FY 2003	FY 2004	FY 2005	\$ Change	% Change
Lexington Office					
Legacy Management.....	11,974	10,646	14,083	3,437	32.3%
Washington Headquarters					
Legacy Management.....	9,119	18,901	17,047	-1,854	-9.8%
Subtotal, Office of Legacy Management.....	21,093	29,547	31,130	1,583	5.4%
Less Use of prior-year balances.....	0	0	0	0	0%
Total, Energy Supply.....	21,093	29,547	31,130	1,583	5.4%

Site Description

Lexington Office

Introduction

The two gaseous diffusion facilities operated by the United States Enrichment Corporation (USEC) are located at Paducah, KY, and Portsmouth, OH. They were formerly operated by the Department of Energy and were leased to USEC in 1993.

Legacy Management

Under the terms of the lease agreement, the Department of Energy continues to have responsibilities for post-retirement benefits for some of the former contractor employees.

Washington Headquarters

Introduction

The Office of Legacy Management has been organized as a Headquarters office with personnel located in the Washington, DC, area, Grand Junction, CO, Morgantown, WV, and Pittsburgh, PA.

Legacy Management

The legacy management functions of the Office include administration of the long-term surveillance and maintenance activities, including site inspections.

Legacy Management

Funding Profile by Subprogram

(dollars by thousands)

	FY 2003 Comparable Appropriation	FY 2004 Original Appropriation	FY 2004 Adjustments	FY 2004 Comparable Appropriation	FY 2005 Request
Legacy Management					
Legacy Management.....	21,093	29,705	-158	29,547	31,130
Total, Legacy Management....	21,093	29,705	-158	29,547	31,130

Public Law Authorizations:

Public Law 95-91, "Department of Energy Organization Act (1977)
 Public Law 95-604, Uranium Mill Tailings Radiation Control Act (1978)
 Public Law 100-616, Uranium Mill Tailings Remedial Action Amendments Act of 1988
 Public Law 103-62, Government Performance and Results Act of 1993
 Public Law 106-377, Energy and Water Development Appropriations Act, 2001
 Public Law 106-398, National Defense Authorization Act for Fiscal Year 2001
 Public Law 107-66, Energy and Water Development Appropriations Act, 2002

Mission

The mission of the Office of Legacy Management is to (1) conduct long-term surveillance and maintenance (also referred to as long-term stewardship) at DOE facilities where remediation measures have been substantially completed; (2) oversee the management of pensions and benefits for former contractor employees; and, (3) perform storage, retrieval, and management of all records necessary for legacy management activities.

Benefits

The Legacy Management program contains important elements to assist the Office of Environmental Management achieve the strategic goal of providing a resolution to the environmental legacy of the Cold War. As the Office of Environmental Management completes its cleanup activities, there are still certain aspects of the Department's mission, such as, long-term pump and treat operations, surveillance and maintenance, records management, and long-term retirement pension and benefits for contractor personnel that require long-term commitments to manage resources and activities beyond the completion of active remediation. The activities of the Legacy Management program ensure that these Departmental responsibilities are addressed and the Office of Environmental Management is able to concentrate its efforts on cleanup and risk reduction.

Legacy Management Funding Schedule by Activity

(dollars in thousands)					
	FY 2003	FY 2004	FY 2005	\$ Change	% Change
Legacy Management.....					
Long-Term Surveillance and Maintenance.....	9,119	18,901	17,047	-1,854	-9.8%
Pension and Benefit Continuity.....	11,974	10,646	14,083	3,437	32.3%
Total, Legacy Management.....	21,093	29,547	31,130	1,583	5.4%

Mission

The mission of the Legacy Management program is to conduct long-term surveillance and maintenance (also referred to as long-term stewardship) at DOE facilities where remediation measures have been substantially completed, oversee the management of pensions and benefits for former contractor employees from the USEC facilities, and perform storage, retrieval, and management of all records necessary for legacy management activities.

Benefits

The Legacy Management program contains important elements to assist the Office of Environmental Management achieve the strategic goal of providing a resolution to the environmental legacy of the Cold War. As the Office of Environmental Management completes its cleanup activities, there are still certain aspects of the Department's mission, such as, long-term pump and treat operations, surveillance and maintenance, records management, and long-term retirement pension and benefits for contractor personnel that require long-term commitments to manage resources and activities beyond the completion of active remediation. The activities of the Legacy Management program ensure that these Departmental responsibilities are addressed and the Office of Environmental Management is able to concentrate its efforts on cleanup and risk reduction.

Detailed Justification

(dollars in thousands)

	FY 2003	FY 2004	FY 2005
Long-Term Surveillance and Maintenance.....	9,119	18,901	17,047

The funding requested for FY 2005 will allow the Department to conduct the necessary activities including monitoring and performing long-term treatment on sites within the programs jurisdiction to ensure that standards contained in legal and regulatory agreements are achieved. Functions include soil, water, and air monitoring, long-term treatment of contaminants, maintenance of contaminant treatment structures, and maintaining security for the sites and other resources associated with the sites.

Pension and Benefit Continuity for Gaseous

Diffusion Facilities.....	11,974	10,646	14,083
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At Paducah, the project includes continued funding for activities and expenses associated with post-retirement life insurance and medical benefits applicable to retirees and contractor employees with service at the Paducah Gaseous Diffusion Plant prior to the lease agreement between USEC and DOE in July 1993. This scope has been expanded to include retired employees working at the Gaseous Diffusion Plant prior to the date of USEC privatization and as further defined by the Memorandum of Agreement (MOA) between the Office of Management and Budget (OMB) and USEC, dated April 6, 1998.

At Portsmouth, the project includes continued funding for activities and expenses associated with post-retirement life insurance and medical benefits applicable to retirees of the Lockheed Martin Energy Systems and contractor employees with service at the Portsmouth Gaseous Diffusion Plant prior to the lease agreement between USEC and DOE in July 1993. This scope has been expanded to include retired employees working at the Gaseous Diffusion Plant to the date of USEC privatization as further defined by the MOA between OMB and USEC, dated April 6, 1998.

This funding does not include benefits to former employees covered by the Uranium Enrichment Decontamination and Decommissioning Fund.

Total, Legacy Management.....	21,093	29,547	31,130
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Explanation of Funding Changes

FY 2005 vs. FY 2004 (\$000)

Long-Term Surveillance and Maintenance

- Although the net number of sites will increase, the cumulative level of activity on existing sites and the additional sites will be less than FY 2004..... -1,854

Pension and Benefit Continuity

- Costs for medical benefits have increased significantly more than the normal rate of inflation. +3,437

Total Funding Change, Legacy Management.....	<hr/> +1,583 <hr/>
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